



# PSC NEWS

## Missouri Public Service Commission

---

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 900

FY-02-96

---

### PSC APPROVES AGREEMENT REACHED IN LACLEDE GAS RATE CASE

Jefferson City (November 29, 2001)---The Missouri Public Service Commission has approved an agreement which authorizes the Laclede Gas Company to increase natural gas revenues by approximately \$15 million for service rendered on and after December 1, 2001. When the St. Louis-based company filed its rate request with the Public Service Commission on May 18, 2001, it sought to increase natural gas revenues by approximately \$39.8 million.

For a typical residential customer, the rate increase will add approximately \$1.50 (2%) a month to their natural gas bill. Earlier this month, the Commission approved a **30% rate reduction** for Laclede to reflect lower wholesale natural gas costs. **Today's rate case decision, coupled with the wholesale supplier change will result in natural gas bills being approximately \$220 lower (in a normal winter) this winter heating season than what they would have been prior to these decisions.**

The agreement approved by the Commission provides Laclede with approximately \$750,000 to implement the Commission's recent emergency amendment to the Cold Weather Rule. As part of that emergency amendment, more lenient payment terms are provided to disconnected customers in an effort to get their heating service restored. Laclede is one of six natural gas companies in Missouri currently complying with the terms of the emergency amendment. The agreement approved by the Commission also calls for Laclede to develop and implement a customer "weatherization program" funded at an annual level of \$300,000.

The agreement approved by the Commission reflects Laclede Gas Company's increased costs of operating and maintaining its distribution system which provides natural gas service to its customers. These costs are often referred to as non-gas costs.

Non-gas costs are operating and maintenance expenses and a return on investment in plant such as the company's natural gas mains and service lines that carry natural gas to the customer's home or business. The Missouri Public Service Commission does not regulate the rates that are charged to Laclede Gas Company for natural gas by wholesale suppliers.

(More)

The Commission does perform a regulatory review to ensure that regulated natural gas companies such as Laclede Gas Company make prudent decisions in securing natural gas supplies for their customers.

The agreement approved by the Commission was submitted by the Office of the Public Counsel, the PSC Staff, Laclede Gas Company, the Missouri Energy Group (Barnes-Jewish Hospital, DaimlerChrysler Corporation, Emerson Electric Company, SSM HealthCare and St. John's Mercy Health Care), the Missouri Industrial Energy Consumers (Adam's Mark Hotels, Alcoa Foil Products, Anheuser-Busch Companies, Inc., The Boeing Company, Ford Motor Company, General Motors Corporation, Hussmann Refrigeration, Mallinckrodt, Inc., MEMC Electronic Materials Inc., Monsanto Company, Proctor & Gamble Manufacturing Company and Ralston Purina Company), AmerenUE, and the Paper, Allied-Industrial, Chemical and Energy Workers Local 5-6, AFL-CIO. The agreement was reached as a result of extensive negotiations conducted by the above parties.

Laclede Gas Company serves approximately 632,600 natural gas customers in the City of St. Louis as well as the Missouri counties of St. Louis, St. Charles, Butler, Iron, Franklin, Jefferson, Madison, St. Francois and Ste. Genevieve.

---0---

Case Nos. GR-2001-629 & GT-2001-662